

Message Text

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ORIGIN XMB-07

INFO OCT-01 EUR-25 ISO-00 AID-20 CIAE-00 COME-00 EB-11

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DRAFTED BY: XMB AMOHANIAN

APPROVED BY: EB/OCA/REP: LAKLIEFORTH

XMB WARREN W. GLICK, ACTING EXECUTIVE VICE PRESIDENT

EB/IFD/ODF: EMLINTON

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R 171504Z SEP 74

FM SECSTATE WASHDC

TO AMCONSUL MONTREAL

INFO AMEMBASSY OTTAWA

AMCONSUL QUEBEC

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E.O. 11652: N/A

TAGS: APUB, CA

SUBJECT: PRESS RELEASE ON EXIMBANK CREDIT TO CANADA

FOLLOWING IS FINAL TEXT OF EXPORT-IMPORT BANK RELEASE ON

THE DIRECT CREDIT OF \$2,268,000 TO NORDAIR LIMITED OF MONTREAL.

RELEASE IS SCHEDULED FOR ANNOUNCEMENT HERE IN WASHINGTON, D.C. FOR A.

M.

PAPERS. WEDNESDAY, SEPTEMBER 15, 1974.

QUOTE: EXIMBANK CREDIT OF \$2,268,000 SUPPORTS \$7,560,000

SALE OF U.S. AIRCRAFT TO CANADA

TO HELP FINANCE A \$7,560,000 SALE OF ONE USED DC-8-61F

AIRCRAFT WITH RELATED SPARE PARTS TO CANADA, THE BOARD OF

DIRECTORS OF THE EXPORT-IMPORT BANK OF THE UNITED STATES HAS

AUTHORIZED A DIRECT CREDIT OF \$2,268,000 TO FINANCE 30 PERCENT

OF THE TOTAL U.S. COSTS, ACCORDING TO EXIMBANK'S CHAIRMAN

WILLIAM J. CASEY, BANK OF MONTREAL WILL EXTEND

A CREDIT OF \$4,536,000 TO FINANCE 60 PERCENT OF THE U.S. COSTS

AND THE BALANCE OF 10 PERCENT WILL BE A CASH PAYMENT OF

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\$756,000 BY THE OBLIGOR, NORDAIR LIMITED OF MONTREAL. NORDAIR

WAS ESTABLISHED IN 1947 AND IS A PRIVATELY OWNED REGIONAL AIR CARRIER.

THE USED DC-8-61CF, ONE SPARE ENGINE AND OTHER SPARE PARTS TO BE PURCHASED FROM TRANS INTERNATIONAL AIRLINES INC, OF OAKLAND, CALIFORNIA, IS SCHEDULED FOR DELIVERY IN OCTOBER 1974. IT WILL BE USED PRIMARILY ON CHARTER ROUTES TO THE UNITED STATES, EUROPE, AND THE CARRIBBEAN.

THE LOANS ARE TO BE REPAYED IN 14 SEMIANNUAL INSTALLMENTS BEGINNING APRIL 10, 1975. EXIMBANK'S DIRECT CREDIT OF \$2,268,000 WILL BE REPAYED OUT OF THE LAST 5 INSTALLMENTS AT AN INTEREST RATE OF 8 PERCENT PER ANNUM, WHICH WHEN BLENDED WITH THE PORTION OF THE CREDIT FROM THE PARTICIPATING BANK RESULTS IN AN INTEREST COST TO THE BORROWER OF ABOUT 10.25 PERCENT TO 10.5 PERCENT PER ANNUM. REPAYMENT OF EXIMBANK'S LOAN IS TO BE GUARANTEED BY BANK OF MONTREAL.UNQUOTE KISSINGER

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To: MONTREAL
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